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June 28, 2005

via facsimile and regular mail

Linda P. Ford
Senior Vice President and Legal Counsel
CardSystems Solutions, Inc.
6390 E. Broadway Blvd.
Tucson, Arizona 85710

Re: Security Breach

Dear Ms. Ford:

The undersigned Attorneys General have been following the media reports of the major security breach of nonpublic personal information that has occurred in your company with great interest and concern. *Information Week* reported last week that as many as 22 million Visa-branded cards and 14 million MasterCard-branded cards were exposed to the security breach and that you reported the breach to Visa and MasterCard in late May.

Information Week also reports that your company may have violated provisions of the Payment Card Industry Data Security Standard, a set of security requirements for merchants and payment processors that includes implementing strong access-control measures, regularly monitoring and testing networks, and maintaining an information security policy. This is unacceptable.

We met last week at the National Association of Attorneys General 2005 Summer Meeting and discussed cybercrime and identity theft with a specific emphasis on preventing such security breaches, notifying consumers who have been impacted, and prosecuting individuals who commit identity theft and cybercrimes.

We call upon your company to do the responsible thing and notify all affected consumers immediately. We also ask that you provide us with the following information as soon as

possible:

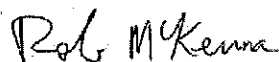
- The total number of consumers impacted by this breach in each state;
- An explanation of how the breach occurred and the steps your company is taking to mitigate the consumer injury caused by the breach, including your efforts to notify affected consumers;
- An outline of the plan your company has developed to prevent the reoccurrence of such a security breach and a timeline for implementing that plan.

As you are no doubt aware, the breach that occurred at your company is only the latest in a disturbing series of cases where nonpublic personal information has been subject to unauthorized access. In this era of increasing reliance on technology, it is vitally important that those companies entrusted with nonpublic personal information employ the highest levels of security. That's why this issue has risen to the top of the public policy agenda.

We look forward to working with people in your industry, as well as consumer advocates and law enforcement colleagues in both state and federal governments to determine what, if any, changes in the legal and regulatory environment may be necessary to protect the very important interest of personal financial privacy.

We appreciate your company's cooperation in this matter. We look forward to hearing from you by Monday, July 25. If you have any questions regarding the matters covered in this letter, you may contact Washington State Assistant Attorney General David W. Huey at (253) 593-5057.

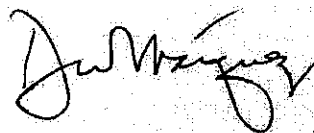
Sincerely,



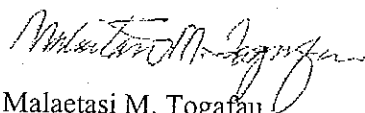
Rob McKenna
Attorney General of Washington



Troy King
Attorney General of Alabama



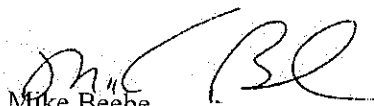
David Marquez
Attorney General of Alaska



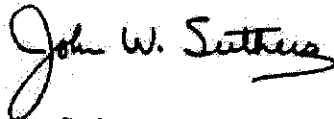
Malaetasi M. Togafau
Attorney General of American Samoa



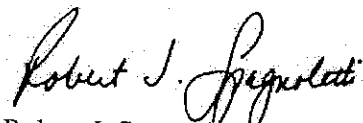
Terry Goddard
Attorney General of Arizona



Mike Beebe
Attorney General of Arkansas



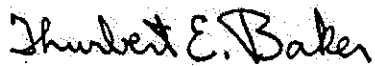
John Suthers
Attorney General of Colorado



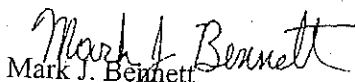
Robert J. Spagnoletti
Attorney General of District of Columbia



Charlie Crist
Attorney General of Florida



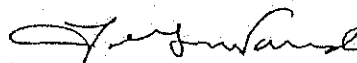
Thurbert E. Baker
Attorney General of Georgia



Mark J. Bennett
Attorney General of Hawaii



Steve Levins, Executive Director
Hawaii Ofc Consumer Protection



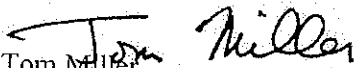
Lawrence Wasden
Attorney General of Idaho



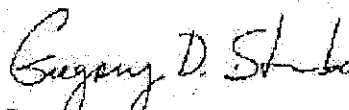
Lisa Madigan
Attorney General of Illinois




Steve Carter
Attorney General of Indiana





Tom Miller
Attorney General of Iowa





Gregory D. Stumbo
Attorney General of Kentucky

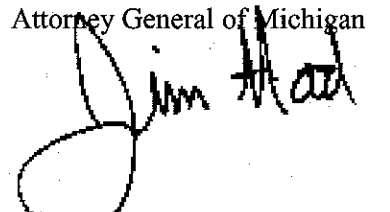

Charles C. Foti Jr.
Attorney General of Louisiana



G. Steven Rowe
Attorney General of Maine

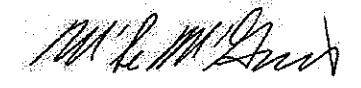

J. Joseph Curran Jr.
Attorney General of Maryland

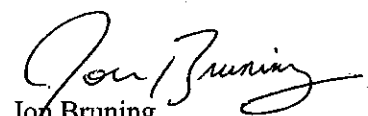

Mike Cox
Attorney General of Michigan

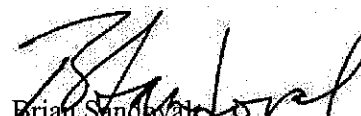

Mike Hatch
Attorney General of Minnesota



Jim Hood
Attorney General of Mississippi

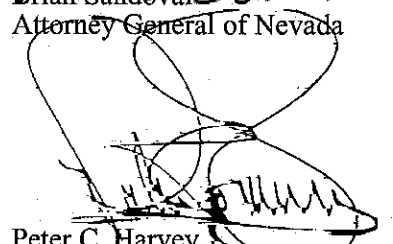

Jeremiah W. (Jay) Nixon
Attorney General of Missouri



Mike McGrath
Attorney General of Montana

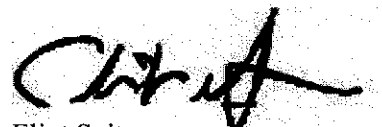

Jon Bruning
Attorney General of Nebraska

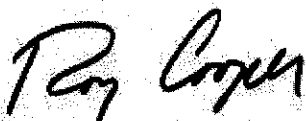

Brian Sandoval
Attorney General of Nevada


Kelly Ayotte
Attorney General of New Hampshire

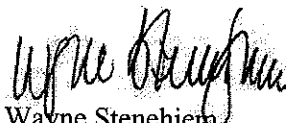

Peter C. Harvey
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Patricia A. Madrid
Attorney General of New Mexico


Eliot Spitzer
Attorney General of New York



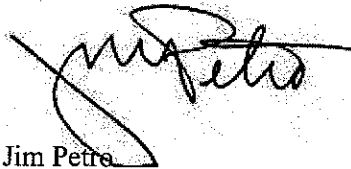
Roy Cooper
Attorney General of North Carolina



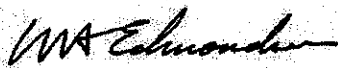
Wayne Stenehjem
Attorney General of North Dakota



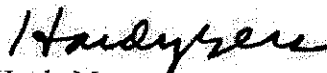
Pamela Brown
Attorney General of Northern Mariana Islands



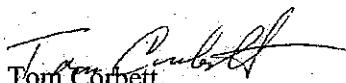
Jim Petro
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W. A. Drew Edmondson
Attorney General of Oklahoma



Hardy Myers
Attorney General of Oregon



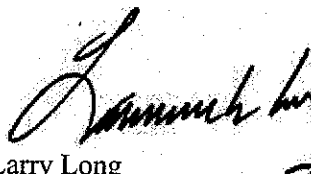
Tom Corbett
Attorney General of Pennsylvania



Robert J. Sanchez Ramos
Attorney General of Puerto Rico



Patrick Lynch
Attorney General of Rhode Island



Larry Long
Attorney General of South Dakota



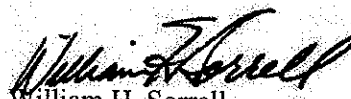
Paul G. Summers
Attorney General of Tennessee




Greg Abbott
Attorney General of Texas



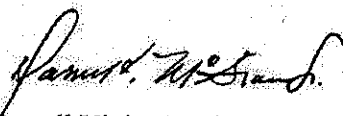
Mark Shurtleff
Attorney General of Utah



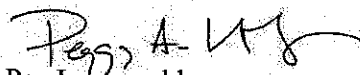
William H. Sorrell
Attorney General of Vermont



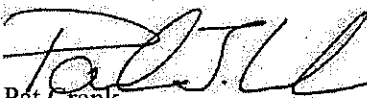
Judith W. Jadgmann
Attorney General of Virginia



Darrell Vivian McGraw, Jr.
Attorney General of West Virginia



Peg Lautenschlager
Attorney General of Wisconsin



Pat Crank
Attorney General of Wyoming